NOTICE OF INVESTIGATION AND PUBLIC HEARINGS

D.T.E. 01-31

The Department of Telecommunications and Energy ("Department"), on its own motion, has opened an investigation into the appropriate regulatory plan to succeed price cap regulation for Verizon New England, Inc. d/b/a Verizon Massachusetts' ("Verizon's") retail intrastate telecommunications services in the Commonwealth of Massachusetts.

The Department hereby begins its investigation by directing Verizon to file with the Department a proposed retail price plan. Verizon's proposal must include, at a minimum, the following:

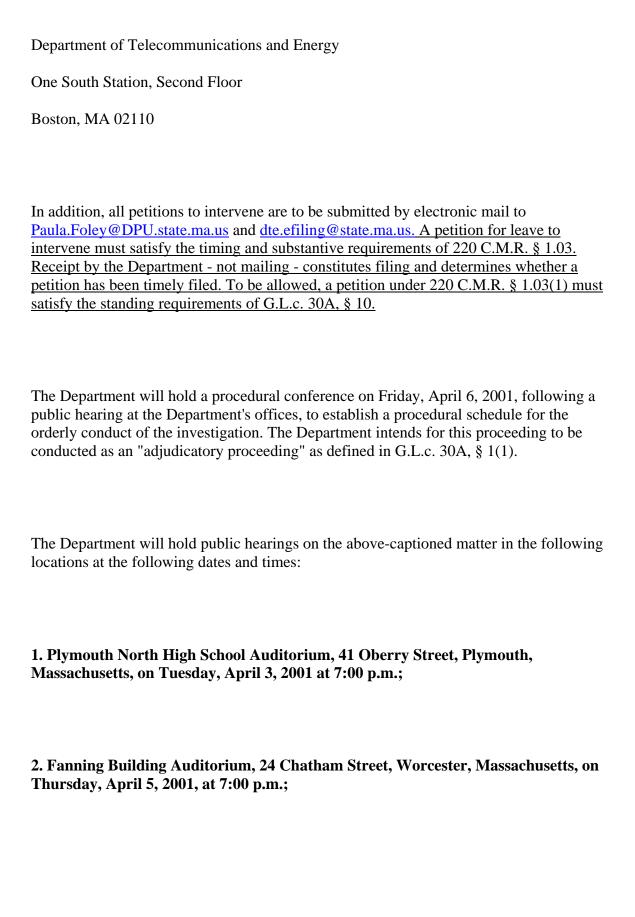
- 1. a component for regulating or deregulating retail prices;
- 2. a plan for regulating service quality; and

3. a plan for intrastate access charge reform similar to that approved by the Federal Communications Commission ("FCC") for interstate charges. See Access Charge Reform, Price Cap Performance Review for Local Exchange Carriers, CC Docket Nos. 96-262 and 94-1, Sixth Report and Order, Low-Volume Long-Distance Users, CC Docket No. 99-249, Report and Order, Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Eleventh Report and Order, 15 FCC Rcd 12962, petitions for review pending, Texas Office of Pub. Util. Counsel et al. v. FCC, 5th Cir. Nos. 00-60434 (and consolidated cases)(2000) ("FCC CALLS Order").

The Department invites all interested persons who are substantially and specifically affected by the issues under investigation to petition to intervene in this proceeding. Written petitions to intervene in this docket must be filed with the Secretary of the Department at the following address by 5:00 p.m. on Tuesday, April 17, 2001:

Mary L. Cottrell, Secretary

Re: D.T.E. 01-31



3. Department of Telecommunications and Energy, One South Station, Second Floor, Boston, Massachusetts, on Friday, April 6, 2001, at 10:00 a.m.; and
4. Pittsfield City Hall, City Council Chambers, 70 Allen Street, Pittsfield, Massachusetts, on Tuesday, April 17, 2001, at 7:00 p.m.
Members of the public are invited to attend and express their views.
By Order of the Department,
MARY L. COTTRELL, SECRETARY